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FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC 3032  
INFO RUEHAC/AMEMBASSY ASUNCION 6680  
RUEHBO/AMEMBASSY BOGOTA 4003  
RUEHBR/AMEMBASSY BRASILIA 7890  
RUEHBU/AMEMBASSY BUENOS AIRES 5144  
RUEHCV/AMEMBASSY CARACAS 2368  
RUEHPE/AMEMBASSY LIMA 2484  
RUEHMD/AMEMBASSY MADRID 3405  
RUEHME/AMEMBASSY MEXICO 2015  
RUEHMN/AMEMBASSY MONTEVIDEO 4522  
RUEHZP/AMEMBASSY PANAMA 0257  
RUEHQT/AMEMBASSY QUITO 5013  
RUEHSG/AMEMBASSY SANTIAGO 9594  
RUEHUB/USINT HAVANA 0245  
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STATE FOR EB/TRA/OTP, EB/TRA/AN, WHA/AND LPETRONI  
STATE PASS TO DOT FOR CCOLDREN AND BHEDBERG  
STATE PASS TO FAA FOR CCAPESTANY AND KBERQUIST  
STATE PASS TO FAA MIAMI FOR MASHBY  
COMMERCE FOR JANGLIN

E.O. 12958: N/A  
TAGS: [EAIR](#) [ECON](#) [PGOV](#) [BL](#)  
SUBJECT: LLOYD PASSENGERS STRANDED IN BOLIVIA AND ABROAD

REF: LA PAZ 884

11. (U) Bolivia's transportation superintendent stated April 2 that an estimated 400 Lloyd Aereo Boliviano passengers are stranded in domestic and international airports, with travelers detained not only in Santa Cruz and Cochabamba, but also in Mexico City, Buenos Aires, Panama City, Caracas, and Madrid. Passengers were left with few travel options after Lloyd was ordered March 30 to suspend domestic and international operations (reftel).

12. (U) Executives at Bolivia's second domestic airline, AeroSur, announced April 2 that the carrier would offer passengers in Buenos Aires and Madrid a 50 percent discount on travel to their final destinations. This gesture of "solidarity," according to AeroSur Vice President Oscar Vargas, will demonstrate the airline's goodwill toward the Bolivian public.

13. (SBU) Comment: The GOB has maintained a hands-off approach to Lloyd's crisis, despite pleas for assistance from Lloyd employees. Some, including AeroSur Marketing Manager Gerard Lopez, view the GOB's refusal to take charge as a means of hastening Lloyd's demise, ostensibly to clear the way for greater government control of the aviation sector. Lopez pointed to the GOB's November 2006 decision to raise jet fuel prices -- which dramatically increased costs for Lloyd and AeroSur -- as just one example of growing GOB pressure on domestic carriers. End comment.  
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